

SECTION E CODE OF CORPORATE GOVERNANCE

1 INTRODUCTION

- 1.1** This Code of Corporate Governance sets out the Greater Manchester Combined Authority's (GMCA's) governance standards. 'Corporate governance' describes how the GMCA (the Authority) directs and controls what it does.
- 1.2** Good governance provides the conditions for the GMCA and its partners to work effectively, economically and ethically. The Authority should carry out its functions in a way that demonstrates accountability, transparency, effectiveness, integrity, and inclusivity. Good governance will support the Authority to pursue its vision and secure its agreed objectives.
- 1.3** The GMCA's governance framework comprises the legislative requirements, principles, management systems and processes – including the Authority's Constitution, Operating Agreement and Protocols – and cultures and values through which the Authority exercises its leadership, fulfils its functions, and by which it is held accountable for its decisions and activities.
- 1.4** This Code is a public statement that sets out the way in which the GMCA and its attendant structures will fulfil these principles in practice and demonstrate its commitment to good corporate governance. The business of the Authority will be conducted in accordance with the Seven Principles of Public Life identified in The Nolan Committee Report (1995), namely: selflessness; integrity; objectivity; accountability; openness; honesty; and leadership.
- 1.5** This Code will be reviewed annually to ensure it continues to be fit for purpose and relevant. The Authority will review the effectiveness of its governance arrangements and internal control systems and publish the review outcomes in an annual governance review. These standards ensure the Authority is doing the right things, in the right way in a timely, inclusive, open, effective, honest and accountable manner.
- 1.6** The governance of the combined area of Greater Manchester is subject to a series of Parliamentary orders which continue to provide the legislative framework in which the GMCA and the elected mayor operate.

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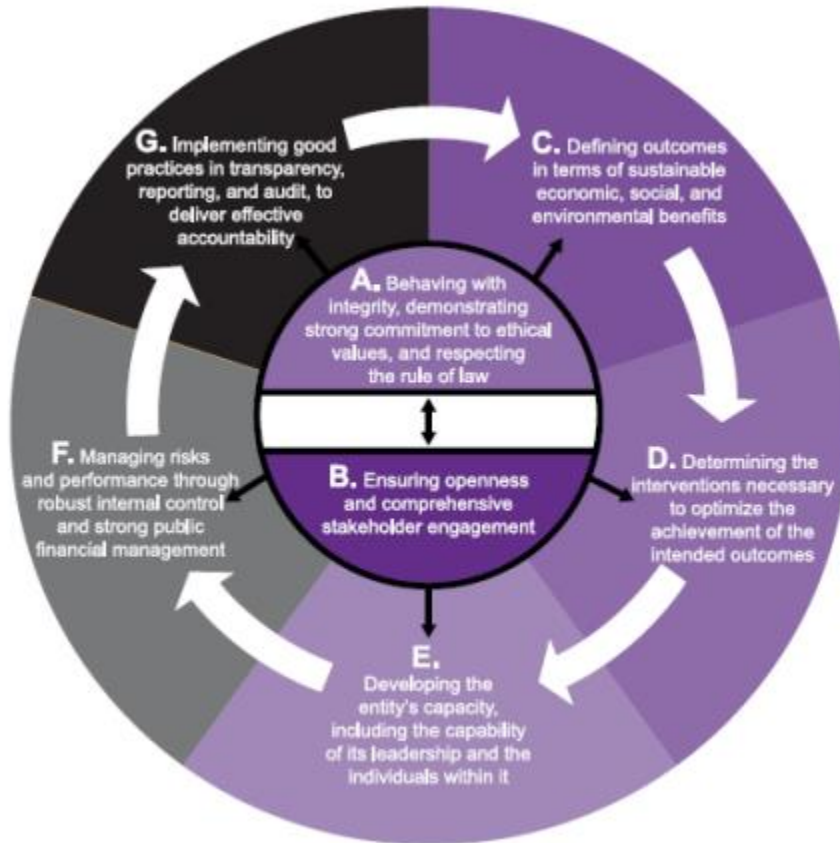
2 What is Good Governance

- 2.1** [International Framework: Good Governance in the Public Sector](#) (CIPFA/IFAC) describes governance as the:

arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved..... To deliver good governance in the public sector, both governing bodies and individuals working for

[an authority] must try and achieve their authority's objectives while acting in the public interest at all times.

2.2 The diagram below illustrates the principles of good governance, which is seen as dynamic process involving continuous evaluation and review and improvement. The following sections of this document describe how the GMCA fulfils the requirements set out in the seven principles good governance described in the diagram.



3 A. BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW.

- 3.1** The GMCA fosters a culture of behaviour based on shared values, ethical principles and good conduct that is put into practice by members and officers alike.
- 3.2** The leadership of the GMCA embodies these values and creates a climate of openness, support and respect that covers the whole organisation. It establishes, monitors and maintains the organisation's ethical standards and performance.
- 3.3** One of the challenges of working across the combined area of Greater Manchester is being clear about the relationships and roles between the districts and the GMCA. There is an operating agreement between each district and the GMCA which sets out their respective roles and also [governance protocols](#) developed as part of the first devolution agreement in November 2014.

Behaving With Integrity

- 3.4** The GMCA is committed to maintaining its values and integrity and operates a [whistle-blowing policy](#) to ensure that individuals who draw attention to factors that compromise the GMCA's integrity are adequately protected and supported in doing so. The Policy was updated in November 2020 to ensure that it remains up-to-date and compliant with legislation. Information on how to report concerns can be located on both the external facing GMCA website and the staff intranet.

Demonstrating Strong Commitment to Ethical Values

- 3.5** The leadership of the Combined Authority has put in place robust policies and procedures which put its values into practice; these include:
- 3.6** A voluntary Standards Committee, composed of elected Members and an independent co-opted member, with responsibility for promoting and maintaining high standards of conduct; assisting Members to observe the Member Code of Conduct; overseeing the Authority's Whistleblowing Policy and monitoring the Member/Officer Protocol.
- 3.7** A Member Code of Conduct and arrangements for determining allegations that a Member has acted in breach of the Authority's Member Code of Conduct as required by the Localism Act 2011. The Code of Conduct is reviewed annually by the Standards Committee.
- 3.8** A Code of Conduct for Officers which makes it clear what standards are expected from staff across the organisation in the performance of their duties.
- 3.9** A Register of Member's Interests records members' interests in other bodies or land or assets in the Combined Authority's area and also outlines the process

for registering gifts and hospitality. Each members recorded register of interests can be found on their individual member pages on the GMCA website.

- 3.10** Systems for reporting and dealing with any incidents of wrongdoing including fraud, corruption, bribery and money laundering.

Respecting the Rule of Law

- 3.11** The GMCA has a Monitoring Officer (the GMCA's Solicitor) who is a member of both the GMCA's Senior Management Team (SMT) and the Wider Leadership Team. The Monitoring Officer ensures that decisions are taken in a lawful and fair way and agreed procedures are followed and that all applicable statutes, regulations and procedure rules are complied with.
- 3.12** The GMCA uses its legal powers to promote its values and priorities to the full benefit of the citizens and communities across Greater Manchester. The GMCA has full regard to the extent of its powers and does not act beyond them, and will observe specific requirements in legislation as well as general responsibilities of public law.
- 3.13** The GMCA's decision making process will adhere to the principles of good administrative law, respect human rights and demonstrate rationality, legality and natural justice.

Dealing With Breaches of Legal and Regulatory Power

- 3.14** The GMCA appoints Statutory Officers that have the skills, resources and support necessary to perform effectively in their roles. These statutory officers include:
- Head of the Paid Service (Chief Executive)
 - Monitoring Officer
 - Chief Finance Officer (GMCA Treasurer - Section 73 officer)
- 3.15** The officers working on GMCA business support these statutory officers as well as other key post holders and elected members to fulfil their responsibilities within legislative and regulatory requirements.

4 B. ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

Openness

- 4.1** The GMCA sets out its commitment to openness in this Code, the Constitution and Annual Governance Statement.
- 4.2** Decisions taken by the GMCA subject to limited exemptions, are made in public, [minuted](#) (alongside the reasons and the evidence considered) and information relating to those decisions is made available to the public. This includes access

through live webcasts of the public part only of the Authority, Police Fire and Crime Panel and Overview and Scrutiny meetings which remain online for six months.

- 4.3** The Authority ensures that, subject to limited exemptions, its most significant decisions are recorded and that information relating to such decisions is made available to the public. The Authority publishes its intention to take key decisions through the GMCA's Register of Key Decision's which is published monthly along with GMCA's papers. Decisions taken at each meeting of the GMCA and Transport for Greater Manchester Committee are published on the web page relating to that meeting and are also circulated by email to members of the GMCA Scrutiny Pool.
- 4.4** The GMCA has established one overview and scrutiny committee. The overarching purpose of these new structure is to improve the quality of decisions made by the GMCA and elected Mayor. The committees will do this by:
- Reviewing the work and decisions of the GMCA and the elected Mayor, and
 - By acting as a critical friend in the development of policy and new work streams.
- 4.5** The GMCA's approach is consistent with the requirements of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. The Authority holds its key meetings in public with the agenda and public reports available on the GMCA's website. However, certain exclusions apply where there is a need to comply with confidentiality laws. . The Authority informs, consults and involves residents in significant decisions and their views are submitted to those making decisions for consideration.
- 4.6** In May 2017 the Greater Manchester Combined Authority (Transfer of Police and Crime Commissioner Functions to the Mayor) Order 2017 transferred all property, rights and liabilities of the former Police and Crime Commissioner for Greater Manchester to the GMCA and made the functions of the police and crime commissioner in Greater Manchester, functions exercisable by the Mayor.
- 4.7** In accordance with the legislation, the Mayor has arranged for the Deputy Mayor for Policing and Crime to exercise PCC functions and he has made a Mayor's PCC Scheme of delegation as set out in the Police and Crime Commissioner Functions - Governance Documents contained in Part 9 of the GMCA Constitution.
- 4.8** The Police and Crime Panel, which is a joint committee of the Constituent Councils, was established in 2017. Following the passing in parliament of the the Greater Manchester Combined Authority (Fire and Rescue Functions) (Amendment) Order 2020 – the GM Mayor was permitted to incorporate fire and rescue into the functions exercised by the GM Deputy Mayor. As of June 2020, the Panel evolved into the Police, Fire & Crime Panel. Membership of the

Police, Fire and Crime Panel may no longer include members or substitute members of the GMCA. The role of the GMPCP is to scrutinise and review decisions made or actions taken by the Mayor, the Deputy Mayor for Policing and Crime and any other person who exercises any PCC function of the Mayor.

Engaging Comprehensively with Institutional Stakeholders

- 4.9** The Authority develops and maintains relationships with leaders of other organisations across the private, public and voluntary sector. They to help deliver the shared vision for the city region through formal governance structures and through partnership working.

Engaging With Individual Citizens and Service Users Effectively

- 4.10** The GMCA consults communities, individuals, service users and other stakeholders whenever there is a legal duty to do so. The Authority informs, consults and involves residents on strategic matters and issues of interest to them. This dialogue is sustained and encouraging through a number of channels, including the live streaming of GMCA meetings and through an active social media presence on Facebook, and Twitter.
- 4.11** The Authority is committed to considering and acting upon feedback from residents and stakeholders. A transparent complaints handling procedure is in place which enables the Authority to learn effectively from the complaints it has received.

5 C. DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL, AND ENVIRONMENTAL BENEFITS

Defining Outcomes

- 5.1** The GMCA's strategic plan: the Greater Manchester Strategy [[About Greater Manchester](#)] is jointly owned by the GMCA and the GM Local Enterprise Partnership.
- 5.2** The Greater Manchester Strategy sets out Greater Manchester's ambitions for the conurbation and both bodies are jointly responsible for ensuring that the ambitions contained within these plans are delivered.
- 5.3** The Strategy 2021-2031 sets out a vision to make Greater Manchester a place where everyone can live a good life, growing up, getting on and growing old in a greener, fairer and more prosperous city region.

At the heart of the Strategy stood three shared outcomes:

- People's Wellbeing: better homes, jobs, transport, and health, living in vibrant communities
- Thriving Organisations: which succeed and look after their people, places and planet
- Leading the UK and the World: in sectors including low carbon and digital

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5.5 To enable the GMCA and GM LEP to understand performance across all strategic priorities, headline progress measures, targeted indicators and qualitative assessments will form the basis of the comprehensive performance framework and progress monitoring of the delivery of the Greater Manchester Strategy.

Sustainable Economic, Social and Environmental Benefits

5.7 The Greater Manchester Strategy's vision for the conurbation is predicated on developing a modern and productive economy, where residents are able to contribute to and benefit from growth, and where social and environmental objectives are delivered alongside GM's economic ambitions. All of its priorities are focused on delivering this vision and ensuring that everyone in GM realises their potential and all parts of Greater Manchester become thriving places.

5.8 An Equalities Impact Assessment has been undertaken for the new Greater Manchester Strategy and its Implementation Plan, with no significant adverse impacts identified against any groups with protected characteristics.

5.9 The leader portfolio for Equalities, Inclusion and Cohesion continues to ensure that all of the conurbation can play the fullest part and benefit from the growth of Greater Manchester.

5.10 The portfolio holder's work is informed in part, by the Equality Act (2010) and help work to ensure that:

- GM's key strategic initiatives proactively embed the principles of promoting equalities, inclusion and cohesion within their design (and in so doing fulfil the requirements of the general equality duty);

- As an employer the GMCA integrates the consideration of equalities, inclusion and cohesion into its day-to-day business and adopts best practice to fulfil the aims of the general equality duty.

5.11 Finally, the GMCA has been proactive in using Social Value as an enabler to deliver additional benefits for suppliers and partners across all procurement and commissioning activity. GM understands that social value can be used to reinforce the core objectives of the GM strategy and to increase the spending power – in the widest sense of the word - of every pound spent in GM. The GMCA's funding is subject to the provisions of the Public Services (Social Value) Act 2012 and so has adopted a **Social Value Framework** whose objectives are:

- To provide the best employment that you can
- To keep the air clean in Greater Manchester
- To create the employment and skills opportunities that we need to build back better

- To be part of a strong local community
- To make your organisation greener
- To develop a local, GM based and resilient supply chain

6 Determining the Interventions Necessary to Optimise the Achievement of the Intended Outcomes

Determining Interventions

- 6.1** The GMCA provides decision makers with objective and rigorous analysis of options, covering intended outcomes, financial impact and associated risks supporting efficient service delivery.
- 6.2** Greater Manchester has invested heavily in developing the evidence base which underpins its policy interventions. This has been a distinctive feature of GM's approach to developing strategic interventions. High quality evidence (including a forecasting model) together with Treasury Green Book compliant techniques for undertaking cost benefit analysis on policy interventions have been developed over the last decade. Key aspects of GM's strategic approach to evidence include the MIER (2008) – the Manchester Independent Economic Review: a significant assessment of the opportunities and challenges faced by Greater Manchester; the Greater Manchester Forecasting Model – an externally commissioned model which provides a twenty year forward look; and the Greater Manchester 'Deep Dive' work – an assessment of sectoral growth opportunities and the driver and barriers to enhanced productivity and labour market participation performance.

Planning Interventions

- 6.4** The GMCA plans its activity through its budget and business planning cycle and does this in consultation with internal and external stakeholders to ensure that work delivered across different organisations and partners complement each other and avoid duplication.
- 6.5** This is facilitated by GM's [comprehensive governance structures](#) which support the delivery of GM's priorities across the conurbation and co-ordinate their activity. The effectiveness of interventions are monitored through the provision of regular performance reports to thematic meetings such as the Low Carbon Hub and as well as the GMCA itself.

Optimising Achievement of Intended Outcomes

- 6.6** GMCA is required to secure value for money as set out in the Code of Audit Practice 2010. The GMCA has to put in place proper arrangements to:
- secure economy, efficiency and effectiveness in its use of resources
 - ensure proper stewardship and governance

- review regularly the adequacy and effectiveness of these arrangements.
- consider the GMCA's arrangements to secure economy, efficiency and effectiveness.

6.7 The GMCA's approach to investing in interventions which will deliver its intended outcomes is guided by its investment strategy, which focuses on maximising the uplift in jobs and GVA. GM's model was originally developed for transport investment but has since been expanded to include regeneration and economic development investment funds to support businesses and has been complemented by more recent work using cost benefit analysis in the development of public service reform interventions.

6.8 The Authority procures goods and services in compliance with UK and Authority regulations and ensure that value for money is obtained through a balanced consideration of social, economic and environmental impacts that can be derived from procurement spend.

7 E. DEVELOPING THE ENTITY'S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT

Developing the Organisation's Capacity

7.1 The GMCA monitors its governance and staffing to support the delivery of planned work programme. The Authority ensures that resources are directed to those activities that will make the greatest contribution to the conurbation's vision through its budget and business planning process.

7.2 Where possible the Authority seeks information about functions, expenditure and performance from comparator organisations and uses these findings to inform its own work. Where intelligence suggests different ways of doing things will lead to improved value for money these options are explored.

7.3 The GMCA continues to develop all aspects of its approach to workforce planning and development.

Developing The Capability of the Organisation's Leadership and Other Individuals

7.4 The roles and responsibilities of members and senior officers are clearly defined within the GMCA Constitution, Operating Agreement and Protocols. The Constitution also sets out the GMCA's scheme of delegation (see part 3 section D) and a protocol governing member/officer relations so that elected members and senior officers have a shared understanding of their respective roles.

7.5 The GMCA is committed to developing the capability of people with governance responsibilities and ensuring that officers working on GMCA business understand the importance of governance within their role. An induction and training programme for members and officers is tailored to individual needs and

provides an opportunity to learn about new developments as well as their governance responsibilities.

- 7.6 The Authority has an open approach to external and peer review and inspection and actively considers constructive feedback.

8 F. MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT

Managing Risk

- 8.1 The GMCA maintains a risk register, which supports the identification and management of key risks. The risk register is reviewed at every meeting of the [Audit Committee](#) and informs decision making, protects the Authority's reputation and other assets and is compliant with statutory and regulatory obligations. The GMCA's Corporate Risk Register names risk **owners** for each of its key strategic risks.

Managing Performance

- 8.2 Regular performance reports are provided to the GMCA's thematic meetings who manage the Authority's work programme as well as the GMCA itself.
- 8.3 Relevant, objective and reliable performance information is used to inform decision making, alongside the financial implications and risk information associated with each decision.

Effective Overview and Scrutiny

- 8.4 The Authority believes that effective overview and scrutiny of decisions leads to improved decision making and improved public services. The Authority has established and maintains an effective Scrutiny function as required by the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 which is able to constructively challenge decision-makers, including those who work in partnership with the Authority, and policy makers.

Robust Internal Control

- 8.5 Internal control systems support the Authority to achieve its objectives by managing its risks while complying with regulations and organisational policies. This safeguards the Authority's resources against loss, fraud, misuse and damage and safeguards the confidentiality and integrity of its ICT and information systems. The Authority maintains clear policies and arrangements in respect of counter fraud and anti-corruption.

- 8.6 The GMCA's [Audit Committee](#) provides a further source of assurance of the GMCA's approach to risk management and the control environment.

Managing Data

- 8.7 The Authority is committed to safeguarding the personal data it holds and sharing this data only in circumstances permitted by law. Its approach to data protection is set out in its publication scheme. The Authority is committed to the safe-sharing of data -where appropriate- with other agencies where this supports the delivery of the Greater Manchester Strategy's priorities and vision.
- 8.8 The GMCA complies with the [Local Government Transparency Code 2015](#) by publishing accurate data within appropriate time frames in the areas mandated by the Code on the [GMCA website](#). The Authority regularly reviews the quality and accuracy of the data it produces, and uses in decision making and performance monitoring.

Strong Public Financial Management

- 8.9 The Authority's approach to financial management ensures that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively. Its approach supports both long term achievement of objectives and short term financial and operational performance.
- 8.10 The Section 73 Officer, the GMCA's Treasurer, ensures that appropriate advice is given on all financial matters, proper financial records and accounts are kept, and oversees an effective system of internal financial control. The Treasurer ensures well developed financial management is integrated at all levels of planning and control including management of financial risks and controls.
- 8.11 The GMCA maintains a prudential financial framework; keeps its commitments in balance with available resources; and monitors income and expenditure levels to ensure that this balance is maintained and takes corrective action if necessary.

9. G. IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING, AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY

Implementing Good Practice in Transparency

- 9.1 The Authority is committed to publishing information including reports in a manner which is accessible to residents and other stakeholders. The publication of information will strike a balance between satisfying the demands of transparency and becoming too onerous for users to understand.

Implementing Good Practices in Reporting

9.2 The Authority seeks to demonstrate to its stakeholders that it has delivered its priorities. It publishes an Annual Report setting out how it has performed, charting the city region's progress towards delivering its vision. There is also an annual review of the effectiveness of its governance framework including its system of internal control and an Annual Governance Statement which is published alongside its accounts.

Assurance and Effective Accountability

9.3 The GMCA welcomes peer challenge, internal and external review and audit, and inspections from regulatory bodies. Officers and relevant member bodies consider any recommendations made and put in place arrangements for the implementation of actions agreed to be taken as a result. There is clear oversight from the GMCA and wider leadership team on the conclusions and resultant actions.

Monitoring and Review

9.4 This Code is reviewed on an annual basis to ensure it is kept up to date. Where the review identifies that changes to the Code are necessary, the revised Code will be submitted to Standards and Audit Committee for comments before being incorporated within the GMCA's Constitution.

9.5 The GMCA has two committees that are jointly responsible for monitoring and reviewing corporate governance arrangements. These committees are:

- Audit Committee – responsible for approving the GMCA's annual accounts and responding to the auditor's annual management letter. It also oversees the effectiveness of the GMCA's governance and risk management arrangements, the internal control environment and associated anti-fraud and anti-corruption arrangements
- Standards Committee – responsible for promoting and maintaining high standards of conduct amongst Members, for advising the GMCA on the adoption and revision of the Code of Conduct for Members, and for monitoring the operation of the Code.

9.6 Full terms of reference for each of these Committees are included in the GMCA's Constitution. The GMCA's members are informed of the work of these Committees through minutes submitted to the GMCA.

9.7 The GMCA will ensure that corporate governance arrangements are kept under continual review by updating, as appropriate, these Committees on:

- The work of Internal and External Audit
- The opinion of other review agencies and inspectorates
- Opinions from the GMCA's Statutory Officers

- General matters relating to the implementation of the Code
- The production of the Annual Governance Statement and actions planned to address arising governance issues.

The Annual Governance Statement

- 9.8** Each year the GMCA publishes an Annual Governance Statement to accompany the Annual Accounts. The Statement provides an overall assessment of the GMCA's corporate governance arrangements and how it adheres to the governance standards set out in this Code. Evidence relating to the principles of this Code is reviewed and analysed to assess the robustness of the GMCA's governance arrangements.
- 9.9** The Statement includes an appraisal of the key controls in place to manage the GMCA's principal governance risks and the effectiveness of systems and processes governing decision making and financial control. The Statement also provides details of where improvements need to be made. Actions to address significant governance issues are identified and recorded in an action plan. The Annual Governance Statement is audited by the GMCA's external auditors as part of the audit of the annual accounts.